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China MeiDong Auto Holdings Limited
中國美東汽車控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1268)

PLACING OF EXISTING SHARES
AND
TOP-UP SUBSCRIPTION FOR NEW SHARES
UNDER GENERAL MANDATE

Placing Agents

**Goldman
Sachs**

BofA SECURITIES 

The Board is pleased to announce that on 3 June 2020 (before trading hours), the Company, the Vendor and the Placing Agents entered into the Placing and Subscription Agreement, pursuant to which (i) the Vendor has agreed to appoint the Placing Agents, and the Placing Agents have agreed on a several basis, to act as agents for the purpose of procuring, as the placing agents of the Vendor, the Placees to purchase, or failing which to purchase themselves, 81,000,000 Placing Shares at the Placing Price; and (ii) the Vendor has agreed to subscribe for, and the Company has agreed to issue to the Vendor, 81,000,000 Subscription Shares at the Subscription Price (being the same as the Placing Price), in each case on the terms and subject to the conditions set out in the Placing and Subscription Agreement.

The number of the Placing Shares represents: (i) approximately 6.97% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 6.51% of the enlarged total number of Shares in issue upon the completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the issue by the Company of the Subscription Shares).

The Placing Price represents: (i) a discount of approximately 9.90% to the closing price of HK\$17.58 per Share as quoted on the Stock Exchange on 2 June 2020, being the trading day prior to the date of the Placing and Subscription Agreement; (ii) a discount of approximately 7.26% to the average closing price of approximately HK\$17.08 per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Placing and Subscription Agreement; (iii) a discount of approximately 4.92% to the average closing price of approximately HK\$16.66 per Share as quoted on the Stock Exchange for the ten consecutive trading days prior to the date of the Placing and Subscription Agreement; and (iv) a premium of approximately 5.74% to the average closing price of approximately HK\$14.98 per Share as quoted on the Stock Exchange for the 30 consecutive trading days prior to the date of the Placing and Subscription Agreement.

The gross proceeds from the Subscription are expected to be approximately HK\$1,283,040,000 (equivalent to approximately US\$165,538,597) and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) will be approximately HK\$1,262,000,000. On such basis, the net price per Placing Share will be approximately HK\$15.58. The Company intends to apply the net proceeds from the Placing in the manner detailed in the section headed “Reasons for the Placing and Subscription and Use of Proceeds” in this announcement.

The Subscription Shares are to be issued under the General Mandate granted to the Directors pursuant to a resolution of the shareholders of the Company passed on 18 May 2020. As such, the allotment and issue of the Subscription Shares is not subject to additional Shareholders’ approval.

Application will be made to the Stock Exchange for approval for the listing of, and permission to deal in, the Subscription Shares.

Completion of the transactions contemplated under the Placing and Subscription Agreement are subject to such agreement not being terminated in accordance with the terms thereof. In addition, completion of the Placing and the Subscription is subject to the satisfaction of conditions precedent under the Placing and Subscription Agreement. Therefore, the Placing and/or the Subscription may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

PLACING OF EXISTING SHARES

The Board is pleased to announce that on 3 June 2020 (before trading hours), the Company, the Vendor and the Placing Agents entered into the Placing and Subscription Agreement, pursuant to which (i) the Vendor has agreed to appoint the Placing Agents, and the Placing Agents have agreed, on a several basis, to act as the agents for the purpose of procuring, as the placing agents of the Vendor, Placees to purchase, or failing which to purchase themselves, 81,000,000 Placing Shares at the Placing Price, and (ii) the Vendor has agreed to subscribe for, and the Company has agreed to issue to the Vendor, 81,000,000 Subscription Shares at the Subscription Price (being the same as the Placing Price), in each case on the terms and subject to the conditions set out in the Placing and Subscription Agreement. The principal terms of the Placing and Subscription Agreement are summarised below:

Date: 3 June 2020

Parties:

- (i) the Company;
- (ii) Apex Sail Limited (the Vendor); and
- (iii) Goldman Sachs (Asia) L.L.C. and Merrill Lynch (Asia Pacific) Limited (the Placing Agents).

The Vendor

As at the date of this announcement, the Vendor holds an aggregate of 702,712,000 Shares, including the Placing Shares, representing approximately 60.45% of the total number of Shares in issue as at the date of this announcement.

The Placing Agents

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agents and their respective ultimate beneficial owners are Independent Third Parties.

Placees

It is expected that the Placing Shares will be placed to not less than six Placees who are professional, institutional or other investors: (i) independent of; and (ii) not connected with the Company.

The Placing Shares

The number of the Placing Shares represents: (i) approximately 6.97% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 6.51% of the enlarged total number of Shares in issue upon the completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the issue by the Company of the Subscription Shares).

Placing Price

The Placing Price represents: (i) a discount of approximately 9.90% to the closing price of HK\$17.58 per Share as quoted on the Stock Exchange on 2 June 2020, being the trading day prior to the date of the Placing and Subscription Agreement; (ii) a discount of approximately 7.26% to the average closing price of approximately HK\$17.08 per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Placing and Subscription Agreement; (iii) a discount of approximately 4.92% to the average closing price of approximately HK\$16.66 per Share as quoted on the Stock Exchange for the ten consecutive trading days prior to the date of the Placing and Subscription Agreement; and (iv) a premium of approximately 5.74% to the average closing price of approximately HK\$14.98 per Share as quoted on the Stock Exchange for the 30 consecutive trading days prior to the date of the Placing and Subscription Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares, the recent trading volume of the Shares and the prospects of the Group and was negotiated on an arm's length basis between the Company, the Vendor and the Placing Agents.

The Board (including the independent non-executive Directors) considers that the Placing Price and the terms of the Placing and Subscription Agreement are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole.

Completion of the Placing

Completion of the Placing is expected to take place on 5 June 2020, subject to the conditions set out in the Placing and Subscription Agreement.

Conditions of the Placing

Completion of the Placing is conditional on, among other things:

- (i) before the completion of the Placing, there shall not have occurred:
 - (A) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole;
 - (B) any suspension or limitation of trading (a) in any of the Company's securities by the Stock Exchange, or (b) generally on the Stock Exchange;
 - (C) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the European Economic Area (the "EEA") of a national emergency or war or other calamity or crisis;
 - (D) any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the EEA and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the EEA;

- (E) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the EEA or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the sole judgment of the Placing Agents, would make the placement of the Placing Shares or the enforcement of contracts to purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market; and

- (ii) the representations, warranties and undertakings given by the Vendor and the Company remaining true and accurate at and as at the date of completion of the Placing.

THE SUBSCRIPTION

Subscription Shares

The Vendor has agreed to subscribe for, and the Company has agreed to issue, 81,000,000 Subscription Shares at the Placing Price, free from all liens, charges, security interests, encumbrances and adverse claims, in consideration for the payment of the Subscription Monies by the Vendor to the Company, subject to the terms and conditions of the Placing and Subscription Agreement.

The number of the Subscription Shares represents: (i) approximately 6.97% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 6.51% of the enlarged total number of Shares in issue upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the date of completion of the Subscription other than the issue by the Company of the Subscription Shares).

Ranking of the Subscription Shares

The Subscription Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment and shall be free from all liens, claims, charges, encumbrances or third party rights whatsoever.

Subscription Price

The Subscription Price is the same as the Placing Price. The aggregate nominal value of the Subscription Shares is HK\$8,100,000.

The Company will bear the expenses incurred by the Vendor in relation to the Placing and the Subscription. The net share price for the Subscription after deduction of such expenses is estimated to be approximately HK\$15.58 per Subscription Share.

Conditions of the Subscription

Completion of the Subscription by the Vendor is conditional upon:

- (i) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares); and
- (ii) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

Completion of the Subscription

Completion of the Subscription shall take place on the Business Day after the date upon which the last of the conditions to be satisfied shall have been so satisfied, provided that it shall take place on a date no later than a date falling 14 days after the date of the Placing and Subscription Agreement (or such other time and/or date as the Vendor, the Company and the Placing Agents may agree in writing).

If the conditions are not fulfilled within 14 days after the date of the Placing and Subscription Agreement, or such later date as may be agreed between the Company, the Vendor and the Placing Agents, the obligations and liabilities of the Vendor and the Company under the Subscription shall be null and void and neither the Company nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise provided that the Company shall reimburse the Vendor for any and all legal fees and out-of-pocket expenses which the Vendor shall be obliged to pay in connection with the Subscription and the Placing.

Pursuant to Chapter 14A of the Listing Rules, if the Subscription is not completed within 14 days after the date of the Placing and Subscription Agreement, the Subscription will be regarded as a connected transaction, and in such case, the Company would need to issue a circular and hold an extraordinary general meeting to seek the approval of the independent Shareholders before the Subscription can be proceeded.

Lock-up Arrangement of the Company

The Vendor undertakes to the Placing Agents that (except for the sale of the Placing Shares pursuant to the Placing and Subscription Agreement), during the period commencing on the date of the Placing and Subscription Agreement and ending on, and including, the date that is 90 days after the date of completion of the Placing (the “**Lock-up Period**”), it will not and will procure that none of its nominees and companies controlled by it and trusts associated with it will (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Subscription Shares) or any interests therein beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests; or (ii) enter into any swap, option, derivative or similar agreement that transfers, in whole or in part, the economic risk of ownership of Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, or enter into any purchase and sale or sale and purchase of Shares or other securities of the Company with the effect of creating a short position or enter into any transaction with the same economic effect, unless with the prior written consent of the Placing Agents provided that the Vendor may sell Shares pursuant to and in accordance with the Placing and Subscription Agreement.

The Company undertakes to the Placing Agents, and the Vendor undertakes to the Placing Agents to procure, that, during the period commencing on the date of the Placing and Subscription Agreement and ending on, and including, the date that is 90 days after the date of completion of the Placing, the Company will not, except for the Subscription Shares and save pursuant to the terms of the existing share option scheme of the Company:

- (A) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares;
- (B) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (A) above; or
- (C) announce any intention to enter into or effect any such transaction described in (A) or (B) above,

without first having obtained the written consent of the Placing Agents.

Termination of the Placing and Subscription Agreement

Notwithstanding anything contained in the Placing and Subscription Agreement, if, at any time prior to 9:00 a.m. (Hong Kong time) on the date of completion of the Placing:

- (a) there develops, occurs or comes into force:
 - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulation in any relevant jurisdiction which in the opinion of the Placing Agents has or is likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole;
 - (ii) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the opinion of the Placing Agents is or would be materially adverse to the success of the Placing;
 - (iii) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole judgement of the Placing Agents is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith;
 - (iv) a general moratorium on commercial banking activities in Hong Kong, the PRC, the European Union (or any member thereof) or New York declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, the European Union (or any member thereof) or the United States;
 - (v) a change or development involving a prospective change in taxation which constitutes a material adverse effect on the Group as a whole, the Placing Shares and/or the transfer thereof;

- (vi) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong, the PRC, the European Union (or any member thereof) or the United States or the declaration by Hong Kong, the PRC, the European Union (or any member thereof) or the United States of a national emergency or war;
 - (vii) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing and the Subscription) which in the opinion of the Placing Agents has or is likely to be materially adverse to the success of the Placing; or
 - (viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the date of completion of the Placing;
- (b) any breach of any of the representations, warranties and undertakings by the Company and/or the Vendor comes to the knowledge of the Placing Agents or any event occurs or any matter arises on or after the date hereof and prior to the date of completion of the Placing which if it had occurred or arisen before the date hereof would have rendered any of such representations, warranties and undertakings untrue or incorrect in any respect and any such breach or failure is material or (in the opinion of the Placing Agents) is or would materially and adversely affect the financial position or business of the Company and/or of the Group as a whole or is or would be materially adverse to the success of the Placing, or there has been a breach of, or failure to perform, any other provision of the Placing and Subscription Agreement on the part of the Vendor and/or the Company; or
- (c) there is any such adverse change, or development involving a prospective adverse change in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Company and/or of the Group as a whole which in the opinion of the Placing Agents is materially adverse to the success of the Placing;

then and in any such case, the Placing Agents may terminate the Placing and Subscription Agreement without liability to the Vendor and/or the Company by giving notice in writing to the Vendor and the Company, which notice may be given at any time prior to 9.00 a.m. (Hong Kong time) on the date of completion of the Placing.

The Board is not aware of the occurrence of any of the above events as at the date of this announcement.

GENERAL MANDATE

The Subscription Shares are to be issued under the General Mandate.

As at the date of this announcement, the Company has not issued any Shares pursuant to the General Mandate and the number of new Shares that could be allotted and issued by the Company under the General Mandate is 232,048,722 Shares. The allotment and issue of the Subscription Shares will utilise approximately 34.91% of the General Mandate. As such, the allotment and issue of the Subscription Shares is not subject to additional Shareholders' approval.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for approval for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The Company is a limited liability company incorporated in the Cayman Islands and the Shares have been listed and traded on the Stock Exchange since 5 December 2013. The Group is principally engaged in automobile dealership business authorised by the respective automobile manufacturers of a particular brand in the PRC including the sale of new passenger cars and spare parts, provision of after-sales service and survey services.

The Directors (including the independent non-executive Directors) consider that the Placing and the Subscription will strengthen the capital base of the Company. The gross proceeds from the Subscription are expected to be approximately HK\$1,283,040,000 (equivalent to approximately US\$165,538,597) and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) will be approximately HK\$1,262,000,000. The Company intends to use the net proceeds from the Subscription as follows:

- (i) approximately HK\$883,400,000 (representing approximately 70% of the net proceeds) for opportunistic mergers and acquisitions purpose; and
- (ii) approximately HK\$378,600,000 (representing approximately 30% of the net proceeds) as general working capital of the Group.

EFFECT OF THE PLACING AND THE SUBSCRIPTION

The table (Note 1 and 3) set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Placing but before completion of the Subscription; and (iii) immediately after completion of the Placing and the Subscription, on the assumption that (a) there will be no other change to the issued share capital of the Company between the date of this announcement and the completion of the Subscription save for the issue of the Subscription Shares; and (b) the placees do not and will not hold any Shares other than the Placing Shares:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing but before completion of the Subscription		Immediately after completion of the Placing and Subscription	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Vendor (Note 2)	702,712,000	60.447	621,712,000	53.480	702,712,000	56.510
Directors						
— Mr. Chen Guiyi	250,000	0.022	250,000	0.022	250,000	0.020
— Mr. Jip Ki Chi	100,000	0.009	100,000	0.009	100,000	0.008
— Ms. Luo Liuyu	48,000	0.004	48,000	0.004	48,000	0.004
Placees	—	—	81,000,000	6.968	81,000,000	6.514
Other public shareholders	459,411,114	39.519	459,411,114	39.519	459,411,114	36.944
Total	<u>1,162,521,114</u>	<u>100.000</u>	<u>1,162,521,114</u>	<u>100.000</u>	<u>1,243,521,114</u>	<u>100.000</u>

Notes:

1. This table does not take into account any Shares that may be issued pursuant to the exercise of any options granted under any existing share option schemes of the Company, during the relevant period or time above-mentioned.
2. Apex Sail Limited is wholly-owned by Apex Holdings Enterprises Limited. The entire issued share capital of Apex Holdings Enterprises Limited is wholly-owned by Fiducia Suisse SA as the trustee of the Ye Family Trust. Fiducia Suisse SA is wholly-owned by Mr. David Henry Christopher HILL and Ms. Rebecca Ann HILL is the wife of Mr. David Henry Christopher HILL. The Ye Family Trust is a revocable discretionary family trust founded by Mr. YE Fan as the settlor. Mr. YE Fan, Mr. YE Tao and certain of their family members are the discretionary objects of the Ye Family Trust.
3. Each of the shareholding percentages listed above is rounded to the nearest three decimal places. The total shareholding percentage may not add up to 100% due to rounding effect.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not undertaken any equity fund raising exercise over the period of twelve months prior to the date of this announcement.

The Directors confirm that, immediately after completion of the Placing and the Subscription, the public float of the Company will be no less than 25% of the Company's issued share capital as enlarged by the issue of the Subscription Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

The Directors (including the independent non-executive Directors) are of the view that the terms of the Placing and Subscription Agreement are fair and reasonable and believe that the Placing and the Subscription are in the best interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) are further of the view that the Lock-up Period is fair and reasonable on the grounds that: (i) the Lock-up Period is only for 90 days which is in line with the market practice and as a result of the arm's length commercial negotiation between the Company, the Vendor and the Placing Agents; and (ii) it will help ensure an orderly market of the Shares.

Completion of the transactions contemplated under the Placing and Subscription Agreement is subject to such agreement not being terminated in accordance with the terms thereof. In addition, completion of the Placing and the Subscription is subject to the satisfaction of conditions precedent under the Placing and Subscription Agreement. Therefore, the Placing and/or the Subscription may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associates”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day(s)”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	China MeiDong Auto Holdings Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands, shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 18 May 2020, pursuant to which, the Board has been authorised to allot, issue and deal with up to 232,048,722 new Shares, being 20% of the then issued share capital of the Company as at the date of passing such resolution
“Group”	the Company and its subsidiaries
“HK\$”	the Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee”	any professional, institutional or other investor whom the Placing Agents have procured to purchase any Placing Shares pursuant to the Placing and Subscription Agreement

“Placing”	the placing of 81,000,000 existing Shares by the Vendor to independent professional, institutional and/or individual investors to be procured by the Placing Agents under the Placing and Subscription Agreement
“Placing and Subscription Agreement”	the placing and subscription agreement dated 3 June 2020 and entered into between the Company, the Vendor and the Placing Agents
“Placing Agent”	Goldman Sachs (Asia) L.L.C. and Merrill Lynch (Asia Pacific) Limited
“Placing Price”	HK\$15.84 per Share
“Placing Share(s)”	81,000,000 Shares currently owned by the Vendor and to be placed pursuant to the Placing and Subscription Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SFC”	the Securities and Futures Commission
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the terms and conditions of the Placing and Subscription Agreement
“Subscription Monies”	such sum as is the aggregate of the Placing Price multiplied by the number of Subscription Shares less the relevant expenses pursuant to the terms of the Placing and Subscription Agreement
“Subscription Price”	an amount equal to the Placing Price
“Subscription Shares”	an aggregate of 81,000,000 new Shares to be issued by the Company and subscribed by the Vendor under the Placing and Subscription Agreement
“US\$”	United States dollars, the lawful currency of the United States of America

“Vendor”	Apex Sail Limited, a company incorporated in the British Virgin Islands with limited liability, holding approximately 60.45% of the issued share capital of the Company as at the date of this announcement
“Ye Family Trust”	the Ye Family Trust 2012, a trust set up pursuant to a trust deed dated 27 July 2012 where Mr. YE Fan is the settlor, and Mr. YE Fan, Mr. YE Tao and certain of their respective family members are beneficiaries
“%”	per cent.

In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail.

In this announcement, amounts in US\$ are converted into HK\$ on the basis of US\$1.0000 to HK\$7.7507.

By the order of the Board
China MeiDong Auto Holdings Limited
YE FAN
Chairman

Hong Kong, 3 June 2020

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. YE Fan (*Chairman*)
Mr. YE Tao (*Chief Executive Officer*)
Ms. LUO Liuyu

Independent Non-executive Directors:

Mr. CHEN Guiyi
Mr. WANG Michael Chou
Mr. JIP Ki Chi